



General Assembly

Amendment

January Session, 2005

LCO No. **6852**

SB0029006852SD0

Offered by:

SEN. COLEMAN, 2nd Dist.

SEN. HARRIS, 5th Dist.

REP. MCCLUSKEY, 20th Dist.

REP. FLEISCHMANN, 18th Dist.

To: Senate Bill No. **290**

File No. 343

Cal. No. 290

***"AN ACT CONCERNING INVESTMENTS IN EQUITY SECURITIES
BY MUNICIPAL RESERVE FUNDS."***

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subsection (c) of section 7-403a of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective*
5 *October 1, 2005*):

6 (c) The budget-making authority may, from time to time, direct the
7 treasurer to invest such portion of such reserve fund as in its opinion is
8 advisable, provided: (1) Not more than forty per cent of the total
9 amount invested shall be invested in equity securities and (2) not less
10 than fifty per cent of the total amount invested shall be invested in
11 United States government obligations, United States agency
12 obligations, United States postal service obligations, certificates of

13 deposit, commercial paper, savings accounts and bank acceptances.
14 Notwithstanding the provisions of this section, if the budget-making
15 authority has adopted an asset allocation and investment policy for the
16 investment of such reserve fund, then (A) not more than sixty-five
17 per cent of the total amount invested shall be invested in equity
18 securities, and (B) not less than thirty-five per cent of the total invested
19 shall be invested in United States government obligations, United
20 States agency obligations, United States postal service obligations,
21 certificates of deposit, commercial paper, savings accounts and bank
22 acceptances.

23 Sec. 2. Section 7-362 of the general statutes is repealed and the
24 following is substituted in lieu thereof (*Effective October 1, 2005*):

25 The budget-making authority may, from time to time, direct the
26 treasurer to invest, such portion of such fund as in its opinion is
27 advisable, provided: (1) Not more than thirty-one per cent of the total
28 amount invested shall be invested in equity securities; and (2) not less
29 than fifty per cent of the total amount invested shall be invested in the
30 stock or bonds or interest-bearing notes or obligations of the United
31 States, or those for which the faith of the United States is pledged to
32 provide for the payment of the principal and interest, including the
33 bonds of the District of Columbia. Notwithstanding the provisions of
34 this section, if the budget-making authority has adopted an asset
35 allocation and investment policy for the investment of such reserve
36 fund, then (A) not more than sixty-five per cent of the total amount
37 invested shall be invested in equity securities, and (B) not less than
38 thirty-five per cent of the total shall be invested in the stock or bonds
39 or interest-bearing notes or obligations of the United States, or those
40 for which the faith of the United States is pledged to provide for the
41 payment of the principal and interest, including the bonds of the
42 District of Columbia."

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>October 1, 2005</i>	7-403a(c)
Sec. 2	<i>October 1, 2005</i>	7-362